

## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

LUIS P. SALAVERIA DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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#### **LUIS P. SALAVERIA**

Director
Department of Business, Economic Development and Tourism before the
HOUSE COMMITTEE ON FINANCE

Thursday, April 2, 2015
2:00 PM
State Capitol, Conference Room 308
in consideration of
SB 892, SD 2, HD 2
RELATING TO OMNIBUS HAWAII RESILIENCE
AND SUSTAINABILITY STRATEGY.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of SB 892, SD 2, HD 2 provided that its passage does not replace or adversely impact priorities in the Executive Budget.

DBEDT recommends amendments to following sections.

Section 1 states the findings and purpose of the bill. DBEDT recommends that the reference to "an offshore high technology park" be replaced with "a Pacific hub virtual technology park."

Section 4 appropriates general funds for preparation of EIS's for seven cable landing sites, and design, construction of cable landing sites. DBEDT recommends that the means of financing (MOF) be changed from general funds to general obligation bonds. DBEDT contracted for a specifications study which determined the preferred system specifications for military and business, and provided preliminary cost estimates for cable landing sites throughout the state of Hawaii. DBEDT is assessing the various financing options available to build landing stations to attract new transpacific fiber optic cables.

Section 5 appropriates general funds for planning, design, and construction of a joint emergency management center in Mililani high technology park. DBEDT recommends that the means of financing (MOF) be changed from general funds to general obligation bonds.

In addition, the following sections are also to be expended by DBEDT.

Section 3 appropriates general funds for the Hawaii Broadband Initiative (HBI), a collaborative effort to increase Hawaii's broadband capacity. If this measure is adopted, DBEDT will work with the Legislature to update the HBI by bringing together potential partners to assess current opportunities.

Section 7 appropriates general funds collaborative research efforts by the Hawaii Resilience and Sustainability Initiative management team in exploring methods to improve energy efficiency and grid operations. DBEDT's Hawaii State Energy Office team supports conducting research to improve security, reliability, and dependability of the electric grids.

Section 9 appropriates general funds for the preparation of plans by the Hawaii Resilience and Sustainability Initiative management team to expedite county water improvement projects. Safe drinking water is necessary for all and the county boards/departments of water supply need access to federal funds to improve critical drinking water infrastructure. DBEDT supports a collaborative effort to improve county access to the EPA state drinking water revolving loan fund.

We defer to the other departments for comments on portions that are related to their programs. Thank you for the opportunity to offer these comments.



## Written Statement of ROBBIE MELTON Executive Director & CEO

High Technology Development Corporation before the

#### HOUSE COMMITTEE ON FINANCE

Thursday, April 2, 2015 2:00 p.m. State Capitol, Conference Room 308 In consideration of

### SB892 SD2 HD2 RELATING TO OMNIBUS HAWAII RESILIENCE AND SUSTAINABILITY STRATEGY.

Chair Luke, Vice Chair Nishimoto, and Members of the Finance.

The High Technology Development Corporation (HTDC) **supports** SB892 SD2 HD2, relating to Hawaii's Resilience and Sustainability Strategy.

As part of HTDC's vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030, HTDC supports initiatives aimed at improving Hawaii's high speed broadband infrastructure and improving Hawaii's reputation as a place to do business.

HTDC supports part II sections 2-4 appropriating resources for the Hawaii broadband initiative and broadband cable landing sites. Prioritizing broadband infrastructure remains a commonality for successful economic development efforts nationwide like in Chattanooga, Kansas City and the Research Triangle. A 2014 study by the Fiber to the Home Council Americas suggests that "gigabit broadband communities have per capita GDP that is 1.1 percent higher than communities with little to no availability of gigabit services." Furthermore, broadband infrastructure is a key component for the two way communication required for the implementation of a smart grid and realizing its benefits of increased renewables, decreased fossil fuel consumption, and improved efficiencies. The cable landing sites require significant funding and we look to the legislature to determine the appropriate funding mechanism. HTDC looks forward to working with the Department of Business, Economic Development and Tourism on these projects.

HTDC supports part III section 5, as we have been working with the Office of Information Management and Technology on the cybersecurity portion of this project at the Mililani High Tech Park site.

We defer to the appropriate departments regarding the portions related to their programs. Thank you for the opportunity to offer these comments.

SHAN TSUTSUI LIEUTENANT GOVERNOR



### STATE OF HAWAII DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

830 PUNCHBOWL STREET, ROOM 321 HONOLULU, HAWAII 96813 www.hawaii.gov/labor Phone: (808) 586-8842 / Fax: (808) 586-9099 Email: dlir.director@hawaii.gov

April 1, 2015

The Honorable Sylvia Luke, Chair Committee on Finance House of Representatives State Capitol, Room 306 Honolulu, Hawaii 96813

Dear Chair Luke:

Subject: Senate Bill (SB) 892, Senate Draft (SD) 2, House Draft (HD) 2
Relating to Omnibus Hawaii Resilience and Sustainability Strategy

I am Manuel P. Neves, Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support the intent of SB 892, SD 2, HD 2, which makes appropriations for a Hawaii resilience and sustainability strategy in the areas of broadband, joint emergency management, energy efficiency and smart grid, and water and sewer infrastructure.

We believe this measure seeks to improve first responder communications across jurisdictions and among different agencies. Having the ability to communicate quickly and effectively at an emergency incident is a critical component for effecting a successful outcome. Any step to secure funds for a state training facility would greatly enhance natural and manmade disaster preparedness that are currently not available to county first responders. We respectfully request consideration to participate in the center's planning phase.

The SFC and the HFD urge your committee's support on the passage of SB 892, SD 2, HD 2.

Should you have questions, please contact SFC Administrator Socrates Bratakos at 723-7105 or sbratakos@honolulu.gov.

Sincerely,

MANUEL P. NEVES

Chair



JEFFREY A. MURRAY CHIEF

ROBERT M. SHIMADA DEPUTY CHIEF

### COUNTY OF MAUI DEPARTMENT OF FIRE AND PUBLIC SAFETY

200 DAIRY ROAD KAHULUI, MAUI, HAWAII 96732 (808) 270-7561 FAX (808) 270-7919 EMAIL: fire.dept@mauicounty.gov

April 1, 2015

The Honorable Sylvia Luke, Chair Committee on Finance House of Representatives State Capitol, Room 306 Honolulu, Hawaii 96813

Dear Chair Luke:

Subject: Senate Bill (SB) 892, Senate Draft (SD) 2, House Draft (HD) 2
Relating to Omnibus Hawaii Resilience and Sustainability Strategy

I am Jeffrey A. Murray, Member of the Hawaii State Fire Council (SFC) and Fire Chief of the Maui Fire Department (MFD). The SFC and the MFD support the intent of SB 892, SD 2, HD 2, which makes appropriations for a Hawaii resilience and sustainability strategy in the areas of broadband, joint emergency management, energy efficiency and smart grid, and water and sewer infrastructure.

We believe this measure seeks to improve first responder communications across jurisdictions and among different agencies. Having the ability to communicate quickly and effectively at an emergency incident is a critical component for effecting a successful outcome. Any step to secure funds for a state training facility would greatly enhance natural and manmade disaster preparedness that are currently not available to county first responders. We respectfully request consideration to participate in the center's planning phase.

The SFC and the MFD urge your committee's support on the passage of SB 892, SD 2, HD 2.

Should you have questions, please contact SFC Administrator Socrates Bratakos at 723-7105 or sbratakos@honolulu.gov.

Sincerely,

JEFFREY A. MURRAY

Fire Chief



HAWAI'I FIRE DEPARTMENT
25 Aupuni Street • Suite 2501 • Hilo, Hawai'i 96720
(808) 932-2900 • Fax (808) 932-2928

Renwick J. Victorino

Deputy Fire Chief

Darren J. Rosario

Fire Chief

March 31, 2015

The Honorable Sylvia Luke, Chair Committee on Finance House of Representatives State Capitol, Room 306 Honolulu, Hawai'i 96813

Dear Chair Luke:

Subject: Senate Bill (SB) 892, Senate Draft (SD) 2, House Draft (HD) 2

Relating to Omnibus Hawai'i Resilience and Sustainability Strategy

Hearing Date: April 2, 2015

Time/Place: Conference Room 308, 2:00 p.m.

I am Darren J. Rosario, Member of the Hawai'i State Fire Council (SFC) and Fire Chief of the Hawai'i Fire Department of the County of Hawai'i (HCFD). The SFC and the HCFD support the intent of SB 892, SD 2, HD 2, which makes appropriations for a Hawai'i resilience and sustainability strategy in the areas of broadband, joint emergency management, energy efficiency and smart grid, and water and sewer infrastructure.

We believe this measure seeks to improve first responder communications across jurisdictions and among different agencies. Having the ability to communicate quickly and effectively at an emergency incident is a critical component for effecting a successful outcome. Any step to secure funds for a state training facility would greatly enhance natural and manmade disaster preparedness that are currently not available to county first responders. We respectfully request consideration to participate in the center's planning phase.

The SFC and the HCFD urge your committee's support on the passage of SB 892, SD 2, HD 2.

Should you have questions, please contact me at (808) 932-2903 or fire@hawaiicounty.gov.

Respectfully,

DARREN J. ROSARIO

Ch. Romi

Fire Chief



Mayor



Robert F. Westerman

Fire Chief

### Nadine K. Nakamura

Managing Director

### KAUA'I FIRE DEPARTMENT County of Kaua'i, State of Hawai'i

4444 Rice Street, Suite 315, Līhu'e, Hawai'i 96766 TEL (808) 241-4980 FAX (808) 241-6508

March 2, 2015

The Honorable Sylvia Luke, Chair Committee on Finance House of Representatives State Capitol, Room 306 Honolulu, Hawaii 96813

Dear Chair Luke:

Subject: Senate Bill (SB) 892, Senate Draft (SD) 2, House Draft (HD) 2

Relating to Omnibus Hawaii Resilience and Sustainability Strategy

I am Robert F. Westerman, Vice-Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Kauai Fire Department (KFD). The SFC and the KFD support the intent of SB 892, SD 2, HD 2, which makes appropriations for a Hawaii resilience and sustainability strategy in the areas of broadband, joint emergency management, energy efficiency and smart grid, and water and sewer infrastructure.

We believe this measure seeks to improve first responder communications across jurisdictions and among different agencies. Having the ability to communicate quickly and effectively at an emergency incident is a critical component for effecting a successful outcome. Any step to secure funds for a state training facility would greatly enhance natural and manmade disaster preparedness that are currently not available to county first responders. We respectfully request consideration to participate in the center's planning phase.

The SFC and the KFD urge your committees' support on the passage of SB 892, SD 2, HD 2.

Should you have questions, please contact me at rwesterman@kauai.gov or (808) 241-4975.

Sincerely.

Robert F. Westerman

Robert Westerman

Vice-Chair

RFW/eld



02 April 2015

Representative Sylvia Luke, Chair, Committee on Finance Hearing on Senate Bill 892, Relating to Omnibus Hawaii Resilience and Sustainability Strategy

Professor Steve Chan, PhD
Chair, Swansea University Network/Relationship Science Analytics PhD Program
Director, Sensemaking- U.S. Pacific Command Fellowship,
Director, Pacific-Asia Institute for Resilience and Sustainability (AIRS)
4365 Executive Drive, Suite 670
San Diego, CA 92121

RE: Support for SB892

Dear Chair Luke and members,

Support for a bill that provides a strategy for developing broadband capacity and its applications for building more resilient critical infrastructure throughout the Hawaiian Islands is vital for the future vitality of the state. Broadband or high speed internet access can provide Hawaii an increased level of access to a wide range of resources, services, and products that can enhance the everyday life of citizens throughout the state in a variety of ways, such as:

- Public Safety and Homeland Security: Broadband enables interoperable broadband public safety networks, which connect first responders in an emergency, and allow emergency workers to communicate across disparate networks, between jurisdictions, and across different agencies critical capabilities at the scene of an emergency. Police, fire, and emergency medical personnel can react to crises quickly, fostering cooperation among numerous public safety agencies. High speed Internet improves victim to responder communications by enabling instantaneous digital transmissions to and from members of a connected community.
- Economic Development/E-Commerce: Businesses need broadband to compete on a global level and seek out high-speed broadband access when choosing to grow their business. When it comes to finding jobs, or applying for jobs, broadband Internet access is essential. The FCC recently estimated that 80% of Fortune 500 companies only advertised for positions online. High-speed access accelerates business development, and provides new opportunities for innovation, expansion, and e-commerce. Communities that connect their residents create wealth and attract business investments.
- Education: Broadband Internet access levels the playing field when it comes to educational resources. Children in inner city neighborhood, affluent homes, and farm communities can all access the same resources. Textbook materials can be complemented with online resources, and children can access all of these materials from school and home.





Wales, UK



- Healthcare: Telehealth & Telemedicine have become an important element of efficient healthcare delivery, which promotes better patient care, and even saves lives. With medical costs rising, and the availability of insurance limited, the costs saving benefits of telemedicine are also important. Broadband facilitates efficiency in healthcare delivery and creates opportunities for doctors and healthcare specialists to work together as a virtual team with specialists located in any part of the world. A family practitioner in a small rural town can send medical images of a patient, to a specialist in any part of the world for an instant expert consultation. Test results from a hospital emergency room or laboratory can be sent to radiologist or doctor in seconds, making rapid diagnosis a reality, and doctors are also now sending prescriptions directly from their offices to pharmacies, greatly reducing errors, with automatic checking for interactions.
- Communications: Being digitally connected means communications can improve people's lives on the job, in their personal lives, and unite people with disabilities. Broadband empowers people with disabilities and removes barriers that keep them from participating in everyday activities. In addition to general communications social media also keeps people connected, and can facilitate meetings and communications, where face-to-face interaction was previously required. Broadband enables people to work from home, saving time and expenses, and the environment. Employers have been encouraging this concept to save overhead expenses and improve employee satisfaction. Smart Grid technology will also enable homeowners to monitor energy usage in real time, and adjust usage patterns to save energy costs and aid in conservation efforts. Energy conservation measures can be started, with real-time savings calculated.

Policy makers are now frequently defining broadband as a necessity, in the same category as electricity, water and phone service. Broadband is no longer a perk or special benefit. For communities, it is a critical piece of infrastructure for attracting new capital investment. As with electric service, the reliability of broadband service is heavily scrutinized to ensure the operation will not be placed offline (especially for information-intensive projects like data centers) or that the risk of being offline is minimal. The competitiveness of the service is also important. Locations with numerous providers have an advantage because competitiveness will drive up speeds and drive down cost.

Locations with inadequate connectivity are quickly passed over for projects requiring broadband. Communities lacking broadband infrastructure make the process of elimination easier for investment decision-makers and influencers. That said, merely having broadband likely places a location on a level playing field with other communities and having a robust plan for how broadband is integrated gives your community a competitive advantage. In today's landscape wherein "being connected" is central to becoming a critical node within the global supply chain, and particularly for the case whereby Hawaii desires to enhance its economic posture, the discussed broadband element of critical infrastructure is, perhaps, the key ingredient for all of Hawaii's future endeavors ranging from smart grid to becoming a cyber leader.

Very Respectfully,

Prof. Steve Chan, PhD



Wales, UK



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

April 2, 2015

### HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE

### TESTIMONY ON SB 892 SD 2 HD 2 RELATING TO OMNIBUS HAWAI'I RESILIENCE AND SUSTAINABILITY STRATEGY

Room 312 9:00 AM

Aloha Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

I am Christopher Manfredi, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,932 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

Hawaii Farm Bureau supports the intent of SB 892 SD 2 HD 2 with comments. Increasing Hawaii's sustainability by increasing our resiliency through the use of technology is a positive step forward. Hawaii's farmers and ranchers have historically faced challenges bouncing back from economic and environmental downturns.

Innovation is critical to agriculture's long term success thus enabling Hawaii's goals of increased self-sufficiency and sustainability. Hawaii's agricultural producers find themselves increasingly dependent upon technology to innovate new practices to remain competitive in an increasingly global marketplace. Yet, in certain rural areas, reliable broadband service is not available and basic tools offered by USDA to farmers on the continent are not similarly available to Hawaii's farmers and ranchers. Satellite imagery depicting your farm's plant health is available to farmers on the mainland, yet Hawaii farmers do not typically have access to similar information because we are on the edge of the satellite imagery. Including technology needs of agriculture within the scope of this measure is critical to provide farmers and ranchers proactive tools to meet Hawaii's goal of increased sustainability and to achieve competitiveness with our mainland counterparts.

Thank you for this opportunity to provide our opinion on this important matter.

ECONOMIC DEVELOPMENT
ISLAND OF OAHU

April 2, 2015

Representative Sylvia Luke
Chair, Committee on Finance
Representative Scott Nishimoto
Vice Chair, Committee on Finance
Hearing on SB892 SD2 HD2
Relating to Omnibus Hawai'i Resilience and Sustainability Strategy
State Capitol, Conference Room 308

Aloha Chair Luke, Vice Chair Nishimoto, and Committee Members,

Enterprise Honolulu stands in strong support of Senate Bill 892 SD2 HD2 that addresses our critical infrastructure needs in Hawaii.

The Economic Development Alliance of Hawaii, (including all Economic Development Boards throughout the State) will be assisting the State Office of Planning in the design and implementation of the next update to the Statewide Comprehensive Economic Development Strategy (CEDS) for 2015-2020.

The U.S. Department of Commerce - Economic Development Administration requires all states in the nation to conduct a five year update of the CEDS. Past CEDS conducted in Hawaii, produced a listing of potential projects in each county, rather than revealing the gaps in the ecosystem and defining an overall strategy for the state. The 2015-2020 CEDS will be focused on identifying gaps and strategies that enable long term economic recovery, including an emphasis on Hawaii's Resiliency.

Senate Bill 892 SD2 HD2 will support the planning and the attention needed to be given to designing a healthier future for Hawaii. I request that you please pass this measure.

Please feel free to contact me directly should you have any questions.

Sincerely,

Pono Shim

President and CEO

Enterprise Honolulu, Oahu Economic Development Board



#### finance1-Kim

From: mailinglist@capitol.hawaii.gov

Sent: Wednesday, April 01, 2015 12:41 PM

To: FINTestimony

Cc: maryhelen.cathcart@doh.hawaii.gov

Subject: Submitted testimony for SB892 on Apr 2, 2015 14:00PM

### **SB892**

Submitted on: 4/1/2015

Testimony for FIN on Apr 2, 2015 14:00PM in Conference Room 308

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Keith E. Kawaoka	DOH/EMD/SDWB	Comments Only	Yes	

Comments: Comments on the amount and use.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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#### finance1-Kim

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, April 01, 2015 6:54 PM

To: FINTestimony Cc: darakawa@lurf.org

Subject: Submitted testimony for SB892 on Apr 2, 2015 14:00PM



#### **SB892**

Submitted on: 4/1/2015

Testimony for FIN on Apr 2, 2015 14:00PM in Conference Room 308

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Comments Only	No

Comments: The Land Use Research Foundation of Hawaii provides the following COMMENTS in support of the ORIGINAL INTENT of SB 892, SD2, HD2, RELATING TO OMNIBUS HAWAI'I RESILIENCE AND SUSTAINABILITY STRATEGY. This HD2 version makes various appropriations for the Hawaii resilience and sustainability strategy, but is only limited to the areas of broadband and, joint emergency management. (SB 892 SD2, HD2) LURF COMMENTS: While broadband and joint emergency management are worthy purposes, LURF respectfully submits that "energy efficiency and grid operations" and "county water improvement projects and water and sewer distribution systems" are just as, if not more important. Thus, this measure should be AMENDED to ADD "energy efficiency and grid operations" and "county water improvement projects and water and sewer distribution systems." PROPOSED AMENDMENTS: LURF respectfully recommends that the current version of this bill be AMENDED to be consistent with the following purposes from the original version of SB 892, which included: (1) Appropriation of general funds for the State of Hawaii's Resilience and Sustainability's Initiative Management Team to continue its collaborative research efforts in exploring methods to improve energy efficiency and grid operations in Hawaii; and (2) Appropriation of funds to support plans by the State of Hawaii's Resilience and Sustainability's Initiative Management Team to expedite county water improvement projects and target the water and sewer distribution systems on each island in the State.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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## STATE OF HAWAII DEPARTMENT OF DEFENSE HAWAII EMERGENCY MANAGEMENT AGENCY



#### **TESTIMONY ON SB 892 SD2 HD2**

### PRESENTATION TO THE HOUSE COMMITTEE ON FINANCE

BY

# DOUG MAYNE ADMINISTRATOR OF EMERGENCY MANAGEMENT April 2, 2015

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

I am Doug Mayne and I am the Administrator of the Hawaii Emergency Management Agency. I am testifying in **SUPPORT** of SB 892 SD2 HD2 with requested amendments.

Senate Bill 892 appropriates funding for the land acquisition, design and construction of many needed facilities to ensure the continued safety of the people of Hawaii. We support the intent of the legislature to provide support for these needed new facilities.

We request, however, that Part III, Section 6 of the bill be amended by removing "in Mililani high technology Park". We have been in discussion for over 2 years with various entities who are interested in being part of a Joint Emergency Management Center (JMEC). Placing it at the Mililani high technology park will cause several of the partners to pull out of the project.

Since the last hearing, we received a letter from the City & County of Honolulu, Department of Emergency Agency stating they will not be a part of the JEMC if the facility is in Mililani.

Thank you for allowing me to testify in **SUPPORT** to SB 892 SD2 HD2 with amendments.